

Contractor Team Arrangements (CTAs) and the GSA MAS Program

Student Guide



List of Acronyms and Websites

Below are acronyms that appear in this guide. The corresponding website addresses are listed when available.

CTA	Contractor Team Arrangement www.gsa.gov/cta
IFF	Industrial Funding Fee
eLibrary	www.gsaelibrary.gsa.gov
FPDS-NG	Federal Procurement Data System — Next Generation https://www.fpds.gov
FAR	Federal Acquisition Regulation www.acquisition.gov/far/index.html
FAS	Federal Acquisition Service www.gsa.gov/fas
FSS	Federal Supply Schedules (aka Multiple Award Schedules)
GSA	General Services Administration www.gsa.gov
MAS	Multiple Award Schedule www.gsa.gov/schedules
MAS Desk Reference	http://www.gsa.gov/portal/content/226369
RFQ	Request for Quotation
Sales Query	GSA Schedule Sales Query: https://ssq.gsa.gov/

**For additional websites, please see the end of this guide.*

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Course Introduction

Welcome to GSA's *GSA MAS Contractor Team Arrangements and the GSA MAS Program* training. This course is designed for the Federal 1102 community working in both civilian and military agencies.

Contractor Team Arrangements (CTAs) allow increased flexibility for meeting agency needs through the simplified procedures of the Multiple Awards Schedule (MAS) program. In this course, you will learn about CTAs and how they can benefit the customer and the contractor by increasing the scope and scale of solutions accessible on a GSA MAS delivery order.

Course Outline

This course has five main topics.

- Topic 1: Introduction to the MAS Program**
- Topic 2: Benefits of the MAS Program**
- Topic 3: Types of Schedules and Characteristics**
- Topic 4: Contractor Team Arrangement (CTA) Basics**
- Topic 5: Establishing and Utilizing a CTA**

Course Objectives

Upon completion of this course, you should be able to:

- ❖ Describe the purpose and benefits of the Multiple Awards Schedule (MAS) program
- ❖ Describe the role of a Contractor Team Arrangement (CTA) in the MAS program
- ❖ Describe processes in establishing and utilizing CTAs

Topic 1: Introduction to the MAS Program

What Is a Multiple Award Schedule?

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- ☐ Governmentwide contract vehicle for **commercial** products, services, and solutions
- ☐ Also known as “Federal Supply Schedule (FSS),” “GSA Schedules,” or “MAS”
- ☐ Standing solicitations posted on FedBizOpps
- ☐ Awarded using FAR Part 12 procedures

GSA Schedules

The MAS program provides eligible ordering activities with a simplified process for obtaining supplies and services. Schedule contracts are multiple award, indefinite delivery/indefinite quantity (IDIQ) contracts, which are awarded to responsible companies that offer commercial supplies or services at fair and reasonable prices. Products and services are ordered directly from Schedule contractors.

Multiple Award Schedules are also known colloquially as “GSA numbers,” “GSA Schedules,” “GSA contracts,” “Federal Supply Schedules (FSS),” and the “GSA list.” All these terms are used synonymously within the Federal contracting community to refer to the GSA MAS program. Through the MAS program, GSA contracts with thousands of commercial businesses that provide access to a vast array of professional services, such as management, financial, engineering, environmental, accounting, graphic design, and landscaping services. In addition to commercial services, commercial supplies range from computer hardware to office supplies.

FSS website: www.gsa.gov/schedules

MAS Contract Characteristics

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- ☐ Multiple Award IDIQ (5-year base, three 5-year options)
- ☐ Fixed-Price or Fixed-Price EPA
- ☐ Fair and reasonable pricing
 - Price reductions may be applied at the order level
- ☐ Performance requirements established at the order level

Quantity and Delivery/Performance Requirements

As IDIQ contracts, the Schedules themselves contain no specific quantities, other than minimum and maximum threshold amounts. The ordering activity sets specific order quantities and specific delivery/performance dates when issuing an order under the Schedule contract. When issuing an order:

- ❖ Delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract, but
- ❖ An ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract.

Limits on Order Placement and Timing

In accordance with FAR 8.405-1 and 8.405-2, Schedule users:

- ❖ May issue orders for supplies, or for services not requiring a statement of work (SOW) orally, by facsimile, by paper order, or electronic commerce methods.
- ❖ May not issue oral orders when ordering services requiring an SOW. Orders by facsimile, by paper order, or electronic commerce methods are authorized.
- ❖ May place an order any time during the effective period of the Schedule contract. Any order not completed within the period of the Schedule contract must be completed within the time specified in the order.
- ❖ May not issue oral orders for brand name items when the order exceeds \$25,000.
- ❖ May not place repetitive orders for the same items, to attempt to avoid exceeding the simplified acquisition threshold (SAT), which is currently \$150,000, and holding a proper competition.

Negotiating Reductions from Schedule Prices

- ❖ Requesting price reductions is permitted at any time. The vendor may offer reduced prices based on specific quantities, overall volume, delivery requirements and other order-specific conditions and terms.
- ❖ The Government buyer is **required** to request reductions for any requirement (order or BPA) in excess of the SAT.
- ❖ Vendors maintain the option of agreeing to any requested price reductions.

Regulatory Foundation

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The Federal Acquisition Regulation (FAR)

FAR	Provides	Applicability
Subpart 8.4	Ordering procedures for GSA Schedules	Federal Government Ordering Activities
Part 12	Acquisition of Commercial Items	GSA awards Schedule contracts under Part 12
Subpart 6.102(d)(3)	Defines orders placed against Schedules as a competitive procedure	All

The **Federal Acquisition Regulation (FAR)** provides the primary regulatory guidance for the GSA Schedules program.

FAR Subpart 8.4, Federal Supply Schedules, prescribes procedures that Federal Government ordering activities must follow when issuing orders using GSA Schedules. Orders placed following these procedures are considered to be issued using full and open competition. (See FAR 8.404(a)).

FAR Part 12, Acquisition of Commercial Items, prescribes policies and procedures unique to the acquisition of commercial items. It implements the Federal Government's preference for the acquisition of commercial items contained in Title VIII of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) by establishing acquisition policies more closely resembling those of the commercial marketplace and encouraging the acquisition of commercial items and components.

FAR 6.102(d)(3), Competition Requirements, pertains to use of competitive procedures. It states that the use of MAS issued under the procedures established by the Administrator of General Services consistent with the requirement of 41 U.S.C. 259(b)(3)(A) for the MAS program of the General Services Administration is a competitive procedure.

FAR Applicability to Schedules

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FAR	Title	Applicable
Part 13	Simplified Acquisition Procedures	NO (except allows for MAS BPAs)
Part 14	Sealed Bidding	NO
Part 15	Contracting by Negotiation	NO
Part 19	Small Business Programs	NO (except Bundling)
Part 36	Construction and A&E	NO
Part 7	Acquisition Planning	YES
Part 10	Market Research	YES
Subpart 17.5	Interagency Acquisitions	YES
Subpart 33.1	Protests	YES
Subpart 37.6	Performance Based Acquisition	YES
Part 39	Acquisition of Information Technology	YES

The primary regulatory guidance is provided by the ***Federal Acquisition Regulation (FAR)***:

- ❖ **FAR Subpart 8.4, *Federal Supply Schedules***, prescribes procedures that Federal Government ordering activities **must** follow when issuing orders against GSA Schedules. Awards made following these procedures are considered competitive.
- ❖ The ***General Services Acquisition Regulation (GSAR)*** is the GSA FAR supplement and is a subset of the General Services Acquisition Manual (GSAM). GSAR provides guidance tailored to GSA acquisitions, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the contracting activities that are awarding and administering GSA Schedule contracts.
- ❖ All GSA Schedule contracts are awarded using FAR Part 12, Acquisition of Commercial Items.

Any agency utilizing GSA Schedules **must** use the procedures described in FAR Subpart 8.4. Some agencies issue supplementary guidance to the FAR. For example, the DoD has the Defense Federal Acquisition Regulation Supplement (DFARS); the Army has the Army Federal

Acquisition Regulation Supplement (AFARS) in addition to the DFARS; and NASA has the NASA FAR Supplement (NFS). The competition requirements for civilian agencies and the DoD are the **same**. The one exception is that the DoD requires the Contracting Officer to consider additional steps when only one response is received to a competitive solicitation over the SAT.

Notes:

- ❖ Acquisition planning is required for all acquisitions over the micro-purchase threshold, which is currently \$3,500.
- ❖ FedBizOpps notice is required post-award only if it's a limited source acquisition over the SAT; no pre-award notice is required.
- ❖ Responsibility determinations are made by GSA, at the contract level.
- ❖ Terms and conditions are already set in the Schedule contracts.
- ❖ Fair and reasonable pricing has already been determined in the Schedules, though over the SAT, agencies **must** request price reductions.

Topic 2: Benefits of the MAS Program

FAR Subpart 8.4 Simplifies the Solicitation Process

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In contrast to FAR Part 15, *Contracting by Negotiation*, Schedule orders do not require:

- ☐ Conducting a formal “negotiated procurement” (Source Selection Evaluation Board (SSEB))
- ☐ Issuing a “solicitation” for thirty days (or any other pre-determined time)
- ☐ Conducting a “competition” by seeking contractors outside the Schedules program
- ☐ Synopsizing the requirement on FedBizOpps, unless it’s a limited sources acquisition over the SAT
- ☐ Conducting “discussions”
- ☐ Conducting formal “debriefings” or “competitive range determinations”
- ☐ Using FAR Subpart 15.3 concepts and procedures

FAR Subpart 8.4 provides ordering procedures for placing orders against a GSA Schedule. FAR Part 13, *Simplified Acquisition Procedures*, Part 15, *Contracting by Negotiation*, and FAR Part 19, *Small Business Programs* [except for 19.202-1(e)(1)(iii)], are **NOT** applicable to orders placed against Multiple Award Schedules. (Except that FAR 13.303-2(c)(3) allows for BPAs to be established with Multiple Award Schedule contractors, if not inconsistent with the terms of the applicable Schedule contract, but see FAR 8.405-3 for BPA procedures under Schedules.)

Under FAR Subpart 8.4 ordering activities do **not**:

- ❖ Conduct a formal “negotiated procurement”
- ❖ Issue a “solicitation” for 30 days (or any other pre-determined time)
- ❖ Conduct “discussions”
- ❖ Conduct formal “debriefings” or “competitive range determinations”
- ❖ Use FAR Subpart 15.3 concepts and procedures

Not using FAR Subpart 15.3 concepts and procedures has the following implications for your task order selection process:

- ❖ There is no requirement to follow the FAR 15.305 requirement to “evaluate competitive proposals and then assess their relative qualities.” In other words, your evaluation system can immediately compare (and remember, we don’t say “compete” because the CICA requirements have already been met) one quote to another in order to determine the rank ordering for selection.
- ❖ You are not bound by the rules in FAR Subpart 15.3 for evaluating past performance, such as the requirement to provide a neutral rating to a quote without any past performance. Further, if you choose not to use past performance as an evaluation factor, there is no requirement to document the file with your rationale.

- ❖ There is no requirement to capture “the relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation...” as required in FAR 15.305. This means your evaluation system can be very streamlined. There is no requirement to set a competitive range using all the published evaluation factors. This means that you can save yourself and the Schedule contractor considerable time and money by phasing your procurement in a manner that uses the least costly factors to initially down-select the quoters.
- ❖ Because a competitive range is not established, there is no need to be overly focused on the nature of exchanges with the quoter. You can engage in detailed exchanges about any aspect of a quote at any time. Naturally, you should make every effort to treat each quoter equitably. You must not be biased, arbitrary, or capricious, and your decisions must be adequately (but not overly) documented.



NUTS AND BOLTS TIP

PROTEST RISK: If an agency issues a Schedule order using FAR Part 15 terminology and procedures, protest review authorities, such as the GAO and the courts, may sustain a protest against the order using FAR Part 15 procedures.

GSA Schedules Conform with Competitive Contracting

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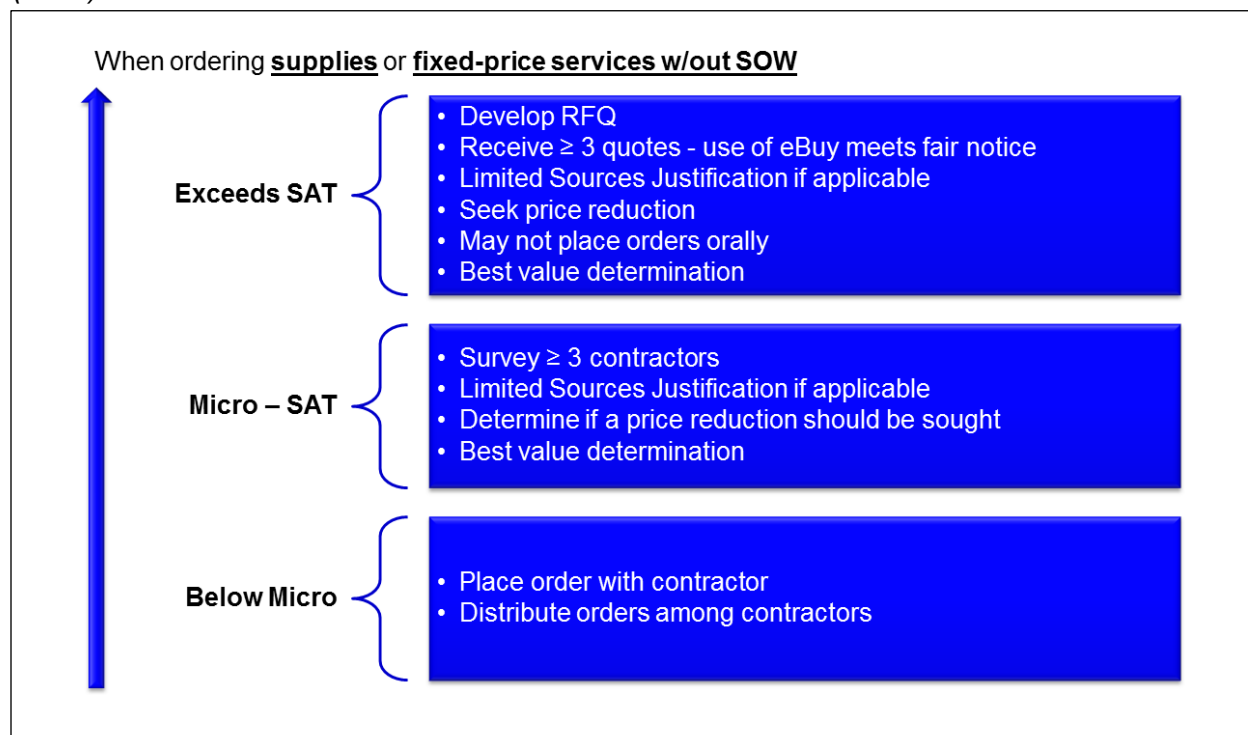
Schedule users shall not:

- ☐ Seek further competition outside of the MAS program
- ☐ Synopsise the requirement (unless limited sources greater than SAT with an LSJ)

8.404(g)

Ordering Procedures - FAR 8.405-1

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When Is an SOW Not Required?

According to FAR Subpart 8.405-1, when acquiring fixed-price services or supplies through GSA Schedules, an SOW is not required when the dollar value of the order or BPA:

- ❖ **Is at or below the micro-purchase threshold.** You may place the order directly with the selected vendor. FAR procedures for acquisitions at or below the micro-purchase threshold emphasize simplicity and fair treatment. Supporting documentation, including extensive information, collection and evaluation, is not required. However, the Schedule user should attempt to distribute orders among Schedule contractors.
- ❖ **Exceeds the micro-purchase threshold, but not the simplified acquisition threshold.** You should obtain at least three (3) quotes (always documenting your contract file) and select the best value quote:
 - Survey at least three Schedule contractors, considering price and other identified best value factors.
 - Consider ordering from contractors that help you meet your agency's socioeconomic goals.
 - Use an RFQ only if it is the most efficient method for gathering the information needed to evaluate solutions available under GSA Schedules. When using an RFQ, the Schedule user must provide the RFQ, including the evaluation criteria, to any contractor under the appropriate Schedule that requests a copy.

- The Schedule user should seek a price reduction when:
 - Market research reveals that the supply or service is available elsewhere at prices lower than those available from Schedule contractors.
 - The Schedule contractor has been or will be selected to provide recurring requirements, and the size of the recurring orders appears to merit a price reduction.
 - Market research identifies other information indicating that a price reduction is appropriate.
- ❖ **Exceeds the Simplified Acquisition Threshold**, or when establishing a BPA. The ordering activity shall seek a price reduction, survey more than three contractors, and select the best value quote. If further price reductions are not offered, an order may still be placed. *eBuy* shall be used as one method to ensure at least three written quotations are received. If fewer than three are received, the contracting officer must document the file as to the actions taken to ensure competitive quotations, and what can be done in future acquisitions to enhance competition. Procedures also apply for DoD agencies when the value of the order exceeds the simplified acquisition threshold (\$150,000) and only one offer has been received (DFARS 208.404 and 208.405–70). If fewer than 30 days was allowed for offer submission, the CO must consider promoting competition by revising the requirements document to eliminate any barriers and by permitting more time for receipt of offers. The CO must either resolicit for 30 days or more or request a waiver. If the CO still receives only one offer, they must determine prices to be fair and reasonable through price or cost analysis or enter negotiations with the offeror. Remember, under the Schedules program you cannot compete outside of the program, so the CO should consider whether there are any valid sources available or if sources have been exhausted through the use of *eBuy*.



NUTS AND BOLTS TIP

Schedule contractors are not required to pass on to all GSA Schedule users a one-time spot price reduction provided to a single agency.



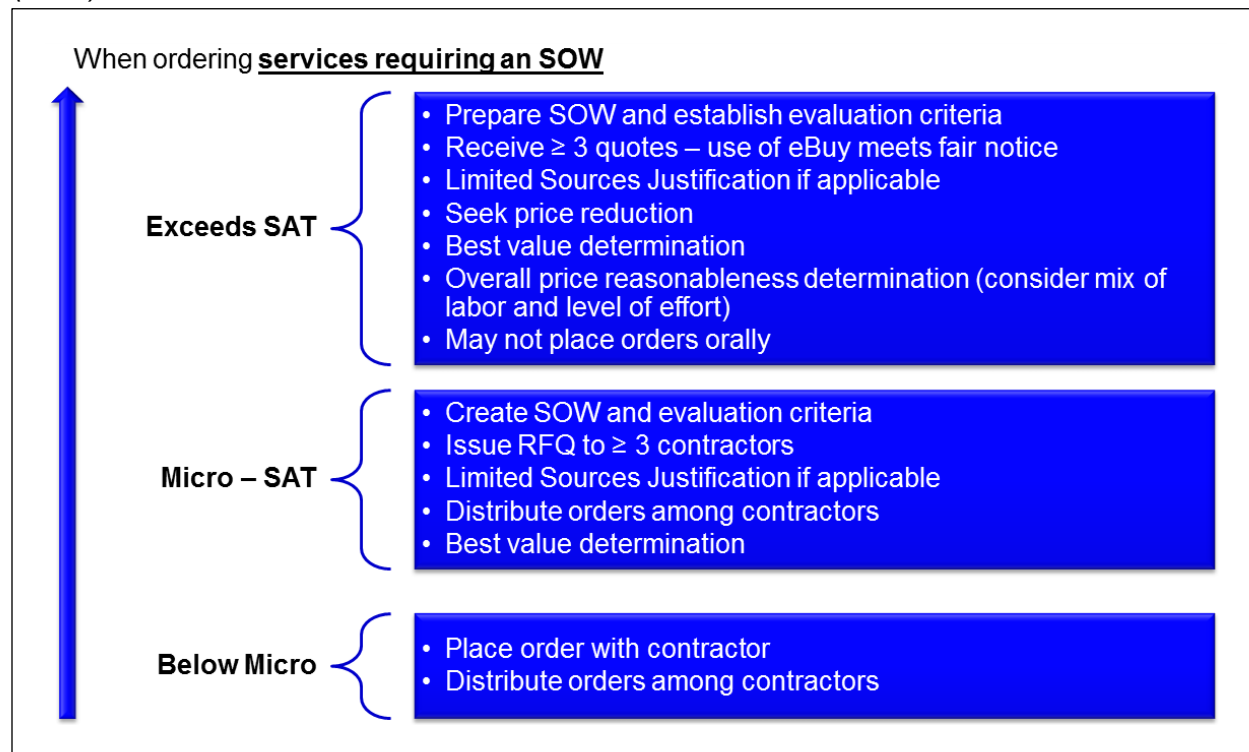
NUTS AND BOLTS TIP

FAR 9.405-1(b) prohibits ordering from any Schedule contractor that is debarred, suspended, or proposed for debarment unless the agency head makes a written determination of the compelling reasons for such action.

A Schedule user can review the contractor's information page in GSA *eLibrary* (www.gsaelibrary.gsa.gov) to determine whether the prospective contractor is debarred, suspended, or proposed for debarment.

Ordering Procedures - FAR 8.405-2

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When is an SOW Required?

For services offered in Schedule contracts at hourly rates, Schedule users must create Requests for Quotations (RFQs), include the SOW and evaluation criteria and furnish them to Schedule contractors that offer services that will meet the agency's needs. The SOW and RFQ requirements differ by dollar value. The RFQ may be posted through *eBuy*.

If an order requires an SOW, the first step in the decision process is to review the quotes. The price quote review focuses on the quality of the vendor's capabilities or products, the proposed solution, the prices, and any other pre-determined evaluation criteria.

If an SOW/PWS/SOO is not required, the first step is to compare prices from appropriate Schedule contractors.

If the order requires an SOW/PWS/SOO, the ordering activity has the option to ask quoters to provide oral presentations after quotation submission. The oral presentations can help the ordering activity clarify details, become acquainted with the contractors' personnel, and provide additional comparison points for decision making.

After comparing prices and other factors, the ordering activity chooses the contractor who can provide the best value to the Government.

Topic 3: Types of Schedules and Characteristics

MAS Schedule Facts

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- ❑ GSA offers over 40 million supplies and services
- ❑ 23 open and standing solicitations published on FedBizOpps (including 9 managed by VA)
- ❑ Over 19,000 Schedule contracts
 - 80% are small businesses
 - Orders and BPAs can be set aside for small businesses
- ❑ \$33.4B MAS + \$13.8B VA = \$47.2B Total Sales (Spend)

GSA Schedules provide access to over 40 million commercial supplies (products) and services at volume discount pricing. The Schedule List in the GSA *eLibrary* contains a list of all GSA and VA Schedules. The generic categories of supplies and services available under each Schedule may be viewed by clicking on the Schedule number in the Source column. Supplies and services are identified in each Schedule by SIN.

Special Item Numbers (SINs)

Within each Schedule are specific SINs. SINs are used to group or categorize similar supplies and services.

Each Schedule is comprised of multiple SINs. For example, under the Professional Services Schedule (PSS), *Mission Oriented Business Integrated Services (MOBIS)* has seven SINs:

- ❖ 874-1, Integrated Consulting Services
- ❖ 874-4, Training Services
- ❖ 874-5, Ancillary Supplies and/or Services
- ❖ 874-6, Acquisition Management Support
- ❖ 874-7, Integrated Business Program Support Services
- ❖ 874-8, DAU and FAI Certified DAWIA Training
- ❖ 874-9, Off the Shelf Training Devices and Training Materials

GSA Schedules are awarded on an indefinite-delivery/indefinite-quantity (IDIQ) basis. The total quantity of services or supplies that will be acquired under the Schedule contract and the specific time for delivery of those items are not set in the contract. Schedule solicitations include only estimated total Schedule acquisition dollars for each SIN.

The quantity and names of Schedules and SINs change from time to time. GSA *eLibrary* (www.gsaelibrary.gsa.gov) provides a current listing of all Schedule contracts and links to additional information about each Schedule.

What Services Are Available on Schedule?

(slide)

- | | |
|--|---|
| <input type="checkbox"/> Environmental Services | <input type="checkbox"/> Information Technology Services |
| <input type="checkbox"/> Professional Engineering Services | <input type="checkbox"/> Advertising and Marketing Services |
| <input type="checkbox"/> Logistics Services | <input type="checkbox"/> Financial and Business Solutions |
| <input type="checkbox"/> Language Services | <input type="checkbox"/> Security Solutions |
| <input type="checkbox"/> Management and Consulting Services (including Training) | <input type="checkbox"/> Facilities Maintenance |
| <input type="checkbox"/> Temporary Administrative and Professional Services | <input type="checkbox"/> Disaster Relief |

Note: For a comprehensive list of services, please visit [GSA eLibrary](#).

GSA Schedule Contract Fundamentals

Solicitations for GSA Schedule contracts are “open and continuous solicitations” issued through FedBizOpps. Vendors wishing to become GSA Schedule contractors may submit an offer at any time. More information on Schedule solicitations may be found at www.gsa.gov/schedulesolicitations.

GSA Schedule contracts have a base period of five years, with three additional five-year option periods. Options are exercised in accordance with FAR 17.207.

Ordering activities issue delivery or task orders against the contract. For services, the task orders specify the scope, milestones, timeframe, and price for the requirements. Options may be included on orders placed against Schedule contracts, and those options may be exercised, provided that:

- ❖ Funds are available.
- ❖ The requirement covered by the option fulfills an existing Government need.
- ❖ Prior to exercising an option, the ordering activity ensures that it is still in the Government’s best interest, with price and other factors considered.

Acquisition of Commercial Services

FAR 11.002(a)(2)(iii) requires that, to the maximum extent practicable, offerors of commercial items be provided an opportunity to compete for any Government contract acquisition. If the use of commercial services is precluded, purchasers may lose the benefits of commercial item innovations. Failure to define a service requirement as a commercial item will also prevent purchasers from using Schedule contracts and participating in the related benefits.

Purchasers should describe services requirements in a way that permits sellers providing commercial services to compete. Preferably, a performance-based approach should be used, in accordance with FAR Subpart 37.6, so that results sought, rather than how the work should be done, is stated.

Note: *For a comprehensive list of services, please visit GSA eLibrary.*
www.gsaelibrary.gsa.gov.

What Supplies Are Available on Schedule?

(slide)

- | | |
|--|---|
| <input type="checkbox"/> Office Supplies and Equipment | <input type="checkbox"/> Information Technology Products |
| <input type="checkbox"/> Tools and Hardware | <input type="checkbox"/> Vehicles and Support Equipment |
| <input type="checkbox"/> Building and Industrial Materials | <input type="checkbox"/> Appliances and Food Services |
| <input type="checkbox"/> Furniture | <input type="checkbox"/> Law Enforcement, Fire, and Security Products |
| <input type="checkbox"/> Scientific Equipment | |

Note: For a comprehensive list of supplies, please visit *GSA eLibrary*.

Commercial Items and MAS

The FAR definition of “commercial items” as found at FAR 2.101(b) includes both supplies/commodities and services. It is very broad and encompasses all of the following types of items as commercial items:

Nongovernmental items: A supply of a type customarily used by the general public or by nongovernmental entities for other than governmental purposes and has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public.

Evolved nongovernmental items: A nongovernmental item that:

- ❖ Evolved from an item customarily used for nongovernmental purposes through advances in technology or performance; and,
- ❖ Will be available in the commercial marketplace in time to satisfy the delivery requirements under a solicitation.

Modified versions of either of these item types: An item that would be considered a nongovernmental item or an evolved nongovernmental item if it were not for one of the following:

- ❖ Modifications of a type customarily available in the commercial marketplace
- ❖ Minor modifications of a type not customarily available in the commercial marketplace that must be made to meet Federal Government requirements

A minor modification does not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final item. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.

Note: For a comprehensive list of supplies, please visit *GSA eLibrary*.

www.gsaelibrary.gsa.gov.

Topic 4: Contractor Team Arrangement (CTA)

Basics

What Is a Contractor Team Arrangement (CTA)?

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- ☐ A CTA is an arrangement between two or more Multiple Award Schedule (MAS) contractors
- ☐ Contractors join together to provide a total solution to meet an agency's requirements
- ☐ Contractors complement each other
- ☐ Allows contractors to compete for orders for which they may not qualify independently

The MAS program offers a number of approaches to acquiring complete solutions. CTAs are one such solution. A GSA Schedule CTA is an arrangement between two or more MAS contractors to work together to meet Government requirements. It enables two or more vendors to present a team approach to providing solutions; this is different from a prime contractor/subcontractor type of relationship.

The arrangement benefits contractors by permitting them to complement each other's capabilities to compete for orders that they may not qualify for independently.

The CTA does not create a separate legal entity. The CTA allows the contractor to meet the Government's needs by providing a total solution that combines the supplies or services from the team members' separate GSA Schedule contracts. In this way, it minimizes acquisition costs, not only by reducing the number of contracts, but it may also reduce the need for open market items.



NUTS AND BOLTS TIP

CTAs can also be the basis for a Schedule BPA utilizing the underlying Schedule contracts of the CTA members. The Schedule BPA should address the details, arrangements or administration of the CTA. For additional information, visit the FAQ at www.gsa.gov/cta.

CTAs and the Multiple Award Schedules (MAS)

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- ☐ Orders placed under a MAS CTA are subject to the terms and conditions of each team member's MAS contract
- ☐ All members of the team are parties to the contract – not a Prime/Sub relationship
- ☐ Roles and responsibilities are defined by the team
- ☐ CTA documentation is crafted by the MAS contractors, not the Government

A CTA combines supplies and/or services from each team member's separate MAS contracts in order to provide an end-to-end solution to the customer. This cannot conflict with the underlying terms and conditions of each team member's MAS contract.

Although there is a team leader, all team members are a party to the contract and may interact directly with the Government. The CTA document itself is a written agreement between team members detailing the responsibilities of each team member. The Government does not write the document; it is developed by the contractors.

Schedule CTA Benefits

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Benefits to the Ordering Activity	Benefits to the Contractors
Procures a total solution	Focuses on the supplies/services that best match their resources and strengths
Satisfies socioeconomic procurement goals	Levels the playing field for small businesses
Increases competition	Reduces risk
	Can compete for Schedule orders for which they wouldn't otherwise qualify

It's a Win-Win Situation!

The benefits of CTAs include the following:

- ❖ Satisfies the customer with a single solution
- ❖ Increases competitive edge
- ❖ Increases market share
- ❖ Increases visibility
- ❖ Focuses on core capabilities
- ❖ Obtains complementary capabilities
- ❖ Integrates different skills
- ❖ Offers additional opportunities with customers
- ❖ Builds direct relationships with customers
- ❖ Maximizes the use of one or more Schedule solutions
- ❖ Shares risks and rewards
- ❖ Allows more opportunities for small businesses and small disadvantaged businesses
- ❖ Reduces the number of items Schedule contractors need to carry on their Schedule contracts, thus reducing inventory and tracking costs

Common Elements of CTA Agreements: Legal Matters

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The areas that a CTA should address can be organized into three areas: Legal, Team Matters and Financial Matters. These three areas are explained in additional detail on this and the next two slides.

Each team develops its own teaming agreement, which is a business arrangement between all respective team members. GSA does not recommend any particular CTA format. However, GSA strongly encourages Contracting Officers to require submission of the agreement with the quote, so that the ordering activity may gain an understanding of how the arrangement will work and identify any CTA elements that may affect the performance risk associated with that quote.

While not all-inclusive, the CTA elements below are areas that are of legal interest to the ordering activity:

- ❖ **Legal relationship.** The CTA document should not create a joint venture or separate subsidiary.
- ❖ **Duration of the agreement.** The CTA document should:
 - State the duration of the team agreement.
 - Identify any options and describe how each option will work.
- ❖ **Terms of the agreement.** The CTA document should:
 - Define the entire course of the project.
 - Specify the responsibilities of each team member and any limitations on those responsibilities.
 - Specify who receives and pays any team management fees.
- ❖ **List of open market items.** The wide range of supplies and services quoted by GSA Schedule contractors should make the need for open market items minimal. Should open market items be required, all such items must be clearly identified as open market

items IAW FAR 8.402(f). Any open market items added to a Federal Supply Schedule BPA or to an individual task or delivery order must comply with FAR Part 5, *Publicizing Requirements*; FAR Part 6, *Competition Requirements*; FAR Part 12, *Acquisition of Commercial Items*; FAR Parts 13, 14 and 15 (contracting methods); and FAR Part 19, *Small Business Programs*.

- ❖ **Delivery responsibility.** The CTA document should state whether the team lead or each team member is responsible for a particular part of the project, so that delivery responsibility is clearly established.
- ❖ **Confidential Information.** The CTA document should identify any proprietary information, and specify how such proprietary information and related rights will be managed.

Common Elements of CTA Agreements: Team Matters

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Elements of a CTA regarding the teams include:

- ❖ **Identification of parties.** The CTA should:
 - Always be documented in writing and signed by each participating GSA Schedule contractor.
 - Identify each member of the Schedule CTA by name, address, GSA Schedule contract number, telephone number, email, and point of contact (POC).
 - Identify the team leader and POC. If the team leader will change throughout the order performance period, the document should describe the reasons for such changes, and how the team lead will be designated during order performance.
 - State the name and address of the ordering activity.
 - Identify the primary ordering activity points of contact for specific needs.
 - State that it is solely between the team members.
 - State that it cannot conflict with the terms and conditions of each team member's GSA Schedule contract.
- ❖ **Specific team activities.** The CTA document should state the various types of activities that will be incorporated into the team arrangement, and identify who is primarily responsible for each identified activity.
- ❖ **Responsibilities of team leader.** The CTA document should outline and specify the duties of the designated team leader at each phase of the project.

- ❖ **Responsibilities of team members.** The CTA document should specify and describe the duties of each team member.
- ❖ **Independent contractors.** The CTA document should state that all team members remain independent contractors, responsible for their own employees.
- ❖ **Replacement of team members.** The CTA document:
 - Should address the circumstances and procedures for replacement of team members, including the team leader.
 - Should state that the team must obtain the approval of the ordering activity prior to replacing any team member after receipt of an order.
- ❖ **Performance evaluation.** The CTA document should clarify under whose name the Government should evaluate performance in the Past Performance Information Retrieval System (PPIRS). FAR 8.406-7 requires ordering activities to enter evaluations in PPIRS for all orders exceeding the simplified acquisition threshold (SAT).

Common Elements of CTA Agreements: Financial Matters

(slide)



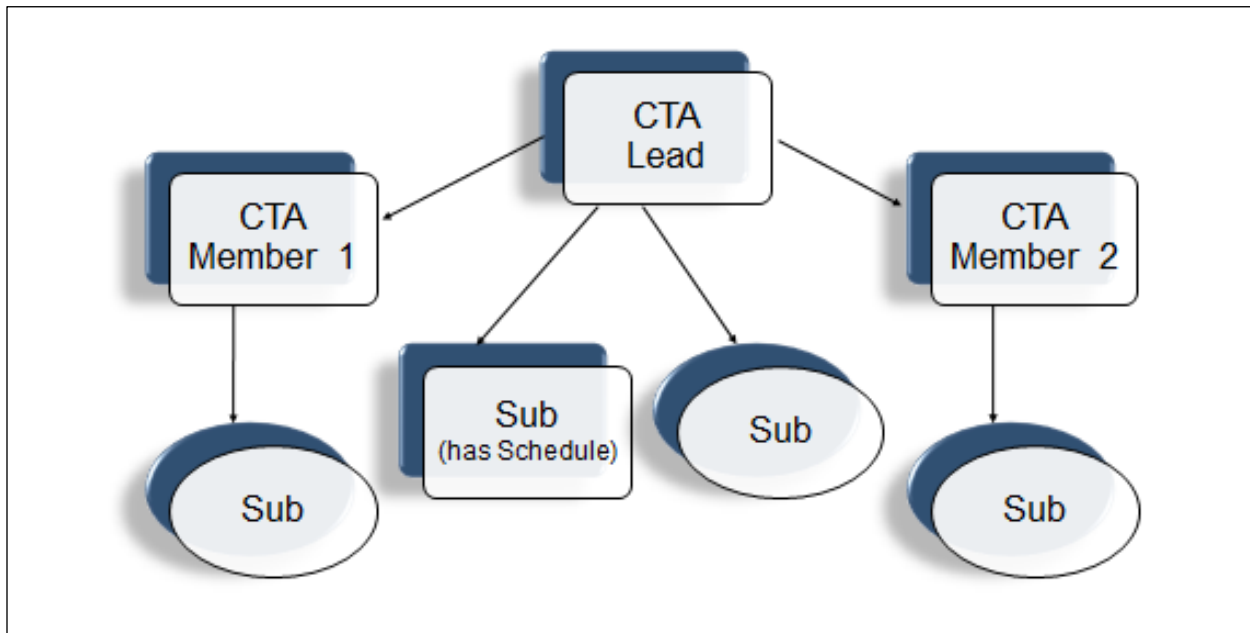
Elements of a CTA Agreement related to finances include:

- ❖ **Reporting of sales and Industrial Funding Fee (IFF) payment responsibility.** The CTA document should:
 - Specify that each team member is responsible for reporting its own sales under its GSA Schedule contract and paying the related IFF to GSA.
 - State that each team member will track sales by contract number to meet contract pricing and IFF reporting requirements.
- ❖ **Invoicing and payment.** The CTA document should designate team responsibilities for invoicing and payment. While the team leader may submit an invoice on behalf of all team members, GSA recommends that payment be made to each team member. GSA recognizes, however, that there may be instances where it is advantageous to design the CTA document so that payment is made to the team leader who pays each team member. Under such circumstances, the CTA document should clearly indicate that all team members agree to this method of payment. The CTA document should acknowledge that the team members, without any involvement by the Government, would resolve any dispute involving the distribution of payment between the team leader and the team members.
- ❖ **Warranties.** The CTA document should designate team warranty responsibilities, such as:
 - Who the ordering activity should contact regarding warranty issues.

- What documents will be required for a warranty claim.
 - Who will correct deficiencies covered by warranty.
 - How warranty compensation will be managed within the team.
- ❖ **Pricing and costs.** The CTA document should:
- Specify unit prices or hourly rates and how pricing is calculated.
 - List the supplies/services and pricing, including any team lead task management pricing, if applicable.
 - Note that all prices charged to the ordering activity are at or below the applicable contractor's GSA Schedule contract prices.
 - Explain how any order incentives or fees will be divided within the team.
- ❖ **Liabilities.** The CTA document should address each team member's responsibilities and performance requirements so that liability is clearly established.
- ❖ **Ordering procedures.** The CTA should document how the team will handle processing additional orders from the Government.

MAS Teaming and Subcontracting

(slide)



CTAs can be comprised of both Schedule contractors and non-Schedule subcontractors. Each Schedule contractor is considered a team member. Non-Schedule contractors are considered subcontractors. All subcontractor labor must be mapped to their prime contractors' Schedule labor categories.

The task order or BPA is issued to the Schedule contractor team as a whole, and lists all Schedule contractor numbers on it. In some cases, depending on the agreement, task orders can be issued directly to each team member. If multiple award BPAs are awarded to multiple teams, then the teams must compete for the task orders.

The decision to form a team is entirely up to the contractors, not the ordering activity.



NUTS AND BOLTS TIP

Do not confuse Schedule Contractor Team Arrangements with the definition of contractor team arrangements found in FAR Subpart 9.6. None of the definitions (the partnership/joint venture, or the prime/sub relationship) outlined in FAR Subpart 9.6 apply to Schedule CTAs.

Key Differences between CTA and Subcontractor Arrangements

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Key Questions	CTA	Prime/Sub Arrangement
Who must hold the Schedule Contract?	Each member	Only prime contractor
Who is considered a party to the task order? (Privity)	Each member	Only prime contractor
Who has ultimate responsibility for contract duties?	Each member	Only prime contractor
What rates can be charged?	Up to the full/discouted MAS rate for member providing the services	Up to the full/discouted MAS rate for the prime contractor
What solutions can be provided?	Total solutions, using contractors from different Schedules	Services/supplies identified on the prime contractor's MAS contract

In prime/subcontractor arrangements, the relationship is defined and controlled by the prime contractor, whereas in CTAs, the roles and responsibilities are defined by the team, as accepted by the Government ordering activity. A Schedule CTA member may utilize a subcontractor.

The following chart summarizes key differences.

Contractor Team Arrangement (CTA)	Prime /Sub Arrangement
Each team member must have a Schedule contract.	Only the prime contractor must have a Schedule contract.
Each team member is responsible for duties addressed in the CTA document. These duties fall within the scope of their individual Schedule contracts.	The prime contractor cannot delegate responsibility for performance to subcontractors.
Each team member has privity of contract with the Government and can interact directly with the Government.	Only the prime contractor has privity of contract with the Government and can interact with the Government. The prime contractor is responsible for its subcontracting activities (ordering activities are permitted to specify in the RFQ that the use of subcontractors requires prior approval by the ordering activities).

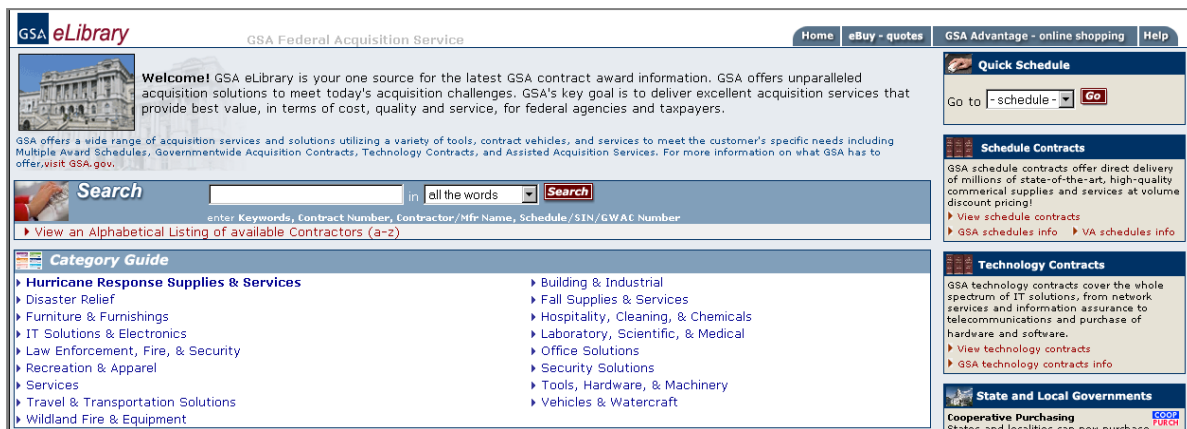
The ordering activity is invoiced at each team member's unit prices or hourly rates as agreed in the task or delivery order or Schedule BPA.	The ordering activity is invoiced in accordance with the prime contractor's Schedule contract.
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Topic 5: Establishing and Utilizing a CTA

Teaming With Other GSA Schedule Contractors

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To establish a CTA, contractors should review the list of GSA Schedule contractors to find a match; see the GSA *eLibrary* to find approved contractors.



www.gsaelibrary.gsa.gov

A contractor holding multiple Schedule contracts may offer a solution that utilizes multiple Schedule contracts. Such a solution would not be considered a CTA because there is only one contractor.

Schedule team members may still use subcontractors, as allowed by their GSA Schedule contracts and as may be addressed in the CTA. Those subcontractors, however, would not be considered members of the "team," and the responsibility for the subcontractors would rest with the applicable team member who employs them (prime).

Establishing the CTA

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- ☐ CTAs may be established at any time by GSA Schedule holders
- ☐ The GSA Schedule contractors create the CTA document; the Government does not aid in development or provide samples
- ☐ CTA documentation should be requested by ordering activities to be submitted with quotations
- ☐ The document should contain the elements identified by GSA; i.e., identify all team members, MAS contract numbers, tasks to be performed, pricing, etc.

MAS contractors may establish a CTA in advance or in response to an RFQ. Having an on-the-shelf CTA for enables contractors to respond quickly and easily when requirements emerge.

The CTA document should designate all team members, include their corresponding Schedule contract numbers, and describe the tasks to be performed by each team member, along with the associated proposed prices (e.g., unit prices, labor categories and hourly rates). The team lead should also be identified, as should the individual team members responsible for delivery, warranty, invoicing, payment, and other issues.

In providing a total solution to an agency's requirement under a CTA, the supplies and services proposed should be identified under each team member's Schedule contract. For services, the labor categories under each Schedule contract need to be identified or mapped to those proposed. Any proposed supplies and services that are not part of a Schedule contract (e.g., open market items) may be included only after all applicable acquisition regulations have been followed (refer to FAR Subpart 8.402(f)) and must be clearly labeled as such.

GSA does not approve the CTA document. CTA documents are developed by the team members themselves and will vary from one CTA document to another. While not all-inclusive, GSA has developed Elements of a Contractor Team Arrangement Document (<https://www.gsa.gov/portal/content/202253>), which identifies areas that are typically of interest to the Government. GSA strongly encourages the submission of the CTA document in response to an RFQ, even if the RFQ is silent on the matter. It will always help the contracting team to understand the specifics of the arrangement.

The CTA is solely between the team members and cannot conflict with the underlying terms and conditions of each team member's Schedule contract. As part of the ordering agency's review of quotations, however, ordering activities may identify areas in the CTA that could be revised or clarified to enhance the probability of successful performance. While the Government is not a

party to the CTA, it is a beneficiary of the arrangement and has a vested interest in the successful performance of the CTA.

Communication

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- ☐ CTAs should outline points of contact for each team member (contractor)
- ☐ Since the Government has privity with all team members, an ordering activity may communicate directly with CTA team members
- ☐ Communication may be through team lead, if desired

The CTA document specifies the lines of communication within the team. Points of contact should be spelled out in the CTA document for the team lead and for each member. In a CTA, the ordering activity communicates directly with the team members, but the parties may agree that all communication with the ordering activity will be through the team lead.

Ordering Activity's Responsibilities

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Agencies should review CTAs to:

- ☐ Gain an understanding of how the arrangement will work
- ☐ Identify any areas of responsibility that may require clarification
- ☐ Identify areas in the CTA that could be improved or clarified to enhance the probability of successful performance
- ☐ Verify proposed unit prices or hourly rates against MAS contracts
- ☐ Ensure the CTA does not conflict with underlying terms and conditions of the team members' MAS contracts
- ☐ Verify that the CTA meets any and all conditions specified in the RFQ
- ☐ Identify the team member who is realizing the preponderance of revenue for FPDS reporting purposes

To ensure that the responses received from Request for Quotations (RFQ) are, in fact, CTAs, GSA strongly recommends that an ordering activity's RFQ indicate that all CTAs must be specifically identified as such and that the CTA document be submitted to the Government as part of the quotation in response to the RFQ. Do not be confused, for example, by a "Team ABC" response; the response should clearly identify that the Schedule contractors are proposing a "Contractor Team Arrangement," as evidenced by the CTA document."

Agencies should review CTA documents to ensure that the documents clearly delineate team member responsibilities and provide for coordination and cooperation among team members, thereby diminishing the risk for all parties involved.

The ordering activity should be able to verify that any proposed unit prices or hourly rates do not exceed the prices awarded under each team member's Schedule contract and avoid any misunderstandings related to each team member's responsibilities and prices.

The ordering activity is also responsible for identifying the team member expected to realize the preponderance of the dollars and reporting that contractor's information in the FPDS.

CTAs and Reporting

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- ☐ Team lead generally receives task/delivery orders
 - Interim FPDS-NG reporting – report total order value to contractor performing largest portion of work
 - Future reporting – GSA working with OFPP and SBA to issue final guidance
- ☐ The CTA document should designate who is responsible for invoicing and payment
- ☐ Each team member reports its MAS contract sales to GSA and remits the appropriate IFF

Customarily, it is the CTA team lead that receives the delivery/task order award. However, unlike a prime/subcontract relationship, where all reporting is done under the prime's name, a CTA focuses upon who performs the majority of work. (See interim guidance below.)

Interim Guidance: Ordering activities are responsible for accurately achieving and reporting on their small business goals, including accurate reporting to the FPDS. Under CTAs, each contractor has privity of contract with the ordering activity. When a MAS order is awarded under a CTA, small business achievement in contractual terms is based upon the dollar amount of the work **the small business contractors** perform under the order. FPDS currently will accept information relating to only one contractor per order. So, the ordering activity must determine which CTA member is realizing the preponderance of the revenue on an order, and then report that contractor's information to FPDS for the CTA order.

Future Guidance: GSA is working with the Office of Federal Procurement Policy (OFPP) and the Small Business Administration (SBA) to provide further clarity around the use of CTAs and anticipates issuing final guidance in the future.

Each team member is governed by its own Schedule contract, and the CTA price quotation cannot exceed the awarded unit prices or hourly rates under its Schedule contract.

There could be a cost involved for contractors to participate in a Schedule Contractor Team Arrangement. However, the use of a CTA should not increase the price of the order to the Government. The CTA document should spell out any costs associated with the arrangement and how they will be allocated among team members. The benefits of a CTA may more than compensate for a contractor's costs by expanding the firm's capabilities and broadening its customer base.

Administration of CTA Orders

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Ordering activity administrative actions taken for all MAS orders apply to CTA orders; the ordering activity should:

- ☐ Perform inspection and acceptance
- ☐ Apply remedies for nonperformance, including termination for cause
- ☐ Terminate (if appropriate) for the Government's convenience
- ☐ Issue final decisions on disputes arising from performance of the order; dispute cannot relate to MAS contract terms and conditions

Ordering activities have a significant amount of autonomy when administering MAS orders. GSA generally does not involve itself in the administration of orders unless the MAS contract so specifies (such as requiring that GSA perform source inspection). Consequently, the ordering activity has the right to inspect all supplies and services in accordance with the contract requirements and as called for by the order. The ordering activity must perform inspections and tests as specified in the order's Quality Assurance Surveillance Plan in a manner that will not unduly delay the work.

If a contractor delivers a supply or service, but it does not conform to the order requirements, the ordering activity must take appropriate action in accordance with the inspection and acceptance clause of the contract, as supplemented by the order. The ordering activity may deal directly with a CTA team member that does not conform to order requirements. If necessary, the ordering activity may terminate for cause, or modify the order to establish a new delivery date (after obtaining consideration, as appropriate).

Because MAS contracts are for commercial items, termination of any order is in accordance with FAR 12.403, *Unique Requirements Regarding Terms and Conditions for Commercial Items*, not FAR Part 49, *Termination of Contracts*. Ordering activities may charge excess costs for re-procurement. The GSA Contracting Officer must be notified of all instances where an ordering activity CO has terminated for cause an individual order to a MAS contractor, or if fraud is suspected. Ordering activities may also terminate for convenience.

Ordering activities may issue final decisions on disputes resulting from the performance of the order, or may refer the dispute to the GSA Contracting Officer. If the ordering activity issues a final decision, it must promptly inform the GSA Contracting Officer. Disputes relating to the terms and conditions of the MAS contract may not be resolved by the ordering activity. Any such disputes must be referred to the GSA Contracting Officer.

Dealing with Problems/Issues

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- ☐ Each team member is responsible per the terms and conditions set within their Schedule contract
- ☐ CTA document should identify which team member is responsible at each phase
- ☐ Government has remedies for non-performance IAW FAR 8.406-3 and 8.406-4
 - Inspection and acceptance clause remedies
 - Termination for cause

Since each team member in a Schedule CTA has a Schedule contract, each team member is held accountable under the terms and conditions of his contract for any problems, such as warranty or performance issues. The CTA document should spell out which team member is responsible at each phase of the project. When evaluating team member performance, the ordering activity Contracting Officer should evaluate each team member accordingly. Disputes between CTA members involve them as parties to the CTA. The Government is not a party to such disputes.

Knowledge Checks



Knowledge Check 1

Who is responsible for requesting and reviewing CTA documents?

Answer: The ordering activity. GSA does not review CTAs, since they are submitted in response to a specific order. Ordering activities should request in the RFQ that CTA agreements be submitted to the Government as part of the quotation. It is the responsibility of the ordering activity to ensure that the CTA addresses the team members, their corresponding Schedule contract numbers, the tasks to be performed by each team member, and the proposed prices, as well as any other specific information requested in the RFQ.



Knowledge Check 2

Identify the three areas a CTA should address, and list the major topics under each area.

Answer:

Legal

- Legal relationship
- Duration of agreement
- Terms of agreement
- List of open market items, if any
- Delivery responsibility
- Confidential information

Team

- Identification of parties
- Specific team activities
- Responsibilities of team leader and members
- Replacement of team members
- Performance evaluation

Financial

- Reporting sales and IFF payment responsibility
- Invoicing and payment
- Warranties
- Pricing and costs
- Liabilities
- Ordering procedures



Knowledge Check 3

What are some of the benefits of a CTA to the Government and to the MAS contractors?

Answer:

Government

- Provides complete solution, reducing number of orders needed to address project
- Increases competition
- Levels the playing field for small businesses

Vendors

- Satisfies the customer with a single solution
- Increases competitive edge, market share, and visibility
- Obtains complementary capabilities
- Offers additional opportunities with customers
- Increased opportunity to build direct relationships with customers
- Maximizes use of one or more MAS solutions
- Shares risks and rewards
- Allows more opportunities for small and small disadvantaged businesses
- Reduces the number of items MAS contractors need to offer on their MAS contracts, thereby reducing inventory and tracking costs

Web Resources

- ❖ Contractor Team Arrangement www.gsa.gov/cta
- ❖ FPDS-NG <https://www.fpds.gov>
- ❖ Federal Acquisition Service www.gsa.gov/fas
- ❖ General Services Administration www.gsa.gov
- ❖ CTA Frequently Asked Questions www.gsa.gov/portal/content/202257
- ❖ Multiple Award Schedules www.gsa.gov/schedules
- ❖ MAS Desk Reference <http://www.gsa.gov/portal/content/226369>
- ❖ MAS Training Student Guides <http://www.gsa.gov/portal/content/141427>
- ❖ eLibrary www.gsaelibrary.gsa.gov
- ❖ GSA Advantage! www.gsaadvantage.gov
- ❖ eBuy www.ebuy.gsa.gov
- ❖ MAS News www.gsa.gov/masnews
- ❖ Federal Acquisition Regulation (FAR) www.acquisition.gov/far